

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DAVID SHOUSE AND BRIAN SHOUSE, D/B/A)	
SHOUSE FARMS, AND BRYAN)	
HENDRICKSON, D/B/A HENDRICKSON GRAIN)	CASE NO.
AND LIVESTOCK, LLP)	2015-00417
)	
COMPLAINANTS)	
V.)	
)	
KENTUCKY UTILITIES COMPANY)	
)	
DEFENDANT)	

ORDER TO ANSWER

Kentucky Utilities Company ("KU") is hereby notified that it has been named as defendant in a formal complaint filed on November 19, 2015, a copy of which is attached hereto as Appendix A.

Based on a review of the allegations set forth in the complaint relating to the demand charge being billed to the complainants, the Commission is unable to conclusively determine whether the complaint establishes a *prima facie* case. However, the Commission notes the rate issues raised in the complaint have previously been set forth in letters that were filed as public comments in Case No. 2014-00371,¹ and that the filing of an answer by KU addressing the merits of the rate issue will assist in our investigation of this complaint.

¹ Case No. 2014-00371, *Application of Kentucky Utilities Company for an Adjustment of Its Electric Rates* (PSC Ky. June 30, 2015). Copies of these letters are attached as Appendix B to this Order.

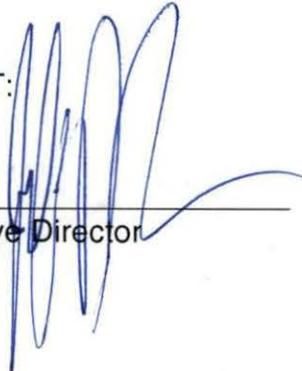
IT IS THEREFORE ORDERED that pursuant to 807 KAR 5:001, Section 20, KU shall file a written answer addressing the merits of the complaint within ten days of the date of service of this Order.

Should documents of any kind be filed with the Commission in the course of this proceeding, the documents shall also be served on all parties of record.

By the Commission

ENTERED 
DEC 18 2015
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2015-00417

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2015-00417 DATED **DEC 18 2015**

PUBLIC SERVICE COMMISSION
211 Sower Blvd.
P. O. Box 615
Frankfort, Kentucky 40602-0615
Case No. 2015-00417

RECEIVED

NOV 19 2015

PUBLIC SERVICE
COMMISSION

**DAVID SHOUSE AND BRIAN SHOUSE,
d/b/a SHOUSE FARMS, AND
BRYAN HENDRICKSON, d/b/a
HENDRICKSON GRAIN AND LIVESTOCK, LLP**

PLAINTIFFS

VS.

VERIFIED COMPLAINT

KU, A PPL COMPANY

DEFENDANT

Come now Plaintiffs, by counsel, and for their Complaint against the Defendant, state as follows:

PARTIES

1. Plaintiffs, Brian and David Shouse, d/b/a Shouse Farms, for all times herein mentioned, are residents/citizens of the State of Kentucky, with their principal place of business located at Morganfield, Kentucky. The customer account in question is located at 235 State Route 3393, Morganfield, Kentucky, Account # 3000-3066-5537.

2. Plaintiff, Bryan Hendrickson, d/b/a Hendrickson Grain and Livestock, LLP, for all times herein mentioned, is a resident/citizen of the

State of Kentucky, with its principal place of business located at 14788 U.S. Highway 60 W, Sullivan, Kentucky. The customer account in question is 3000-3062-5473.

3. Defendant, Kentucky Utilities, for all times herein mentioned is a PPL company, subject to the rules and regulations of the Public Service Commission and various other statutes and regulations, with its principal place of business concerning billing located at P. O. Box 9001954, Louisville, Kentucky 40290-1954.

JURISDICTION/VENUE

4. Jurisdiction and venue is appropriate in the Public Service Commission inasmuch as the matters concerned and/or alleged herein fall within the purview of the Public Service Commission, as granted under statute and/or regulation.

FACTS

5. Plaintiffs, and each of them, are engaged in farming operations, including the grain drying operations..

6. Plaintiffs, in expanding their farming operations, have gone to great lengths in constructing grain bins, as well as establishing a grain drying system for their respective farming operations.

7. Plaintiffs, and each of them, expended substantial sums of money with Defendant, KU, for purposes of running electrical services to Plaintiffs' respective properties to enable for the grain bin drying operations to take place.

8. Plaintiffs, and each of them, paid for these expenses.

9. The respective grain drying operations are seasonal in nature and each of the Plaintiffs operate the grain bin drying equipment on a two to three month basis.

10. Defendant, in calculating their utility services, charged the Plaintiffs a demand rate that includes a 50 percent minimum, and what would appear to be a charge for recovering of installation costs.

11. The demand rate, whether in whole or in part, is believed to be calculated premised on the fact that Defendant is recovering the costs of the initial installation of the power and/or utilities to the property of Plaintiffs.

12. Additionally, on opinion and belief, the 50 percent minimum demand rate equates to a sum substantially greater over the course of the year than the utilities that are actually used if paid for directly; therefore, resulting in a windfall for Defendant and/or otherwise unjustly enriching the Defendant, and/or contrary to the intent and spirit of the statutes and regulations.

WHEREFORE, Plaintiffs, and each of them, request that the Public Service Commission enter an Order requiring Defendant to refund to Plaintiffs, with interest, those monies unjustly received since the installation of the utility services paid for by Plaintiffs, and any other monies that the Public Service Commission deems appropriate under the circumstances on utility charges that exceed the actual cost of the production of the utilities over the course of the year or billing cycle; attorney fees, if authorized; and any and all other relief to which the Plaintiffs may be entitled.

WOMACK LAW OFFICE, LLC

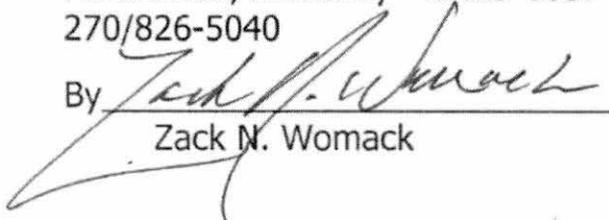
304 First Street

P. O. Box 637

Henderson, Kentucky 42419-0637

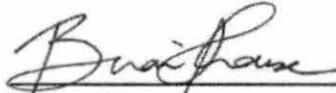
270/826-5040

By

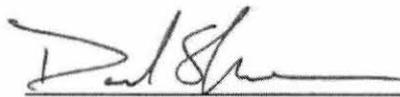


Zack N. Womack

Plaintiffs, Brian Shouse, David Shouse, and Bryan Hendrickson, state they have read the foregoing Verified Complaint and that the statements contained therein are true and correct to the best of their knowledge, information and belief.



Brian Shouse



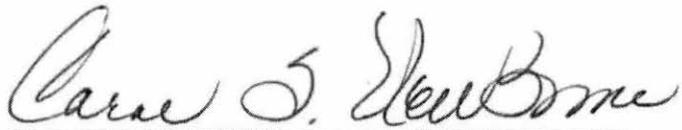
David Shouse



Bryan Hendrickson

STATE OF KENTUCKY)
COUNTY OF HENDERSON)

Subscribed and sworn to before me on this the 16 day of November, 2015, by Brian Shouse, David Shouse, and Bryan Hendrickson.



Notary Public
My Commission Expires 3/17/18

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2015-00417 DATED

DEC 18 2015

RECEIVED

MAY 01 2015

To whom it may concern,

CASE#201400371

PUBLIC SERVICE
COMMISSION

I'm writing this letter to suggest a need for a new rate to deal with Agriculture and Rural Churches and other buildings in Rural areas. My family built a new Grain Facility in 2014, KU put us on a Demand Meter, which we were told that this would be the best rate for us. When we started using the facility the bill was comparable to our other facilities that are on Kenergy. What we didn't know was what the bill would be in the off season. Since we hit a \$5,000 Demand in season we are billed 50% of that for the next 11 months, where Kenergy resets their Demand each month. KU tells me to have my meter turn on/off 2-3 times a year to help manage my bill or to install more meters to help stay under their demand, which would be 4 more at this point and \$25,000 for me to rewire. Did I mention I paid \$22,500 for them to build a new service to my lot so KU could get my service, because my lot fell in KU territory. Long story short I have used my facility 2 months out of the last 5 and have an average electric bill of \$3200 a month. YOU ask why only have I used it 2 months? A Grain Facility on a farm is only used to dry grain during the harvest of that year. The rest of the time it sets empty or grain stored until I sell it and grain has to be aired ever so often to keep it from ruining until it is sold, which makes it hard to turn my meter on an off through the year because who knows exactly what the grain market is going to do. Any other farm in my area that has a Grain Facility on KU was grandfathered in when this took place in 2009. Being in a rural area it has taken this long for this problem to surface. KU usage only rate is \$.09225 and I have paid them \$16,284.49 for 78,600KWH which is a \$.20 KWH rate. If we take the taxes and other charges off I have paid them \$13,327.49 for 78,600 KWH and that comes to a \$.16 KWH rate. This is almost double of their GS rate as they call it. Since I have been dealing with this it has come to my attention that the new Church my Community is building, which I set on the Board, is on the same Demand meter. Last month bill was \$931 for 800 KWH which is a \$1.16 KWH rate. They have agreed to return us to a GS rate until construction is complete, but this issue will come up again. Also Hendrickson Farms is a neighbor that built a new Grain Facility in 2014. They are facing the same thing. Also our county fairgrounds with the John Arnold Arena are facing this to due to only booking events a few months out of the year. This is why I think KU needs to introduce some kind of seasonal or agricultural rate or be able to be put on a usage only rate, if that be the case I still would have paid them over \$7,200 for my 78,600 KWH. This is a serious issue, it will continue to come up more as years go on. I have included my bills for you to see and one from the church which they have agreed to change for now. As for my grain facility I plan to turn it off when I empty it until this is figured out. Please fill free to contact me for anything, there is a lot more to this, this is just the highlights.

Thanks for your time,

David Shouse

davidshousefarms@yahoo.com

270-836-4988



a PPL company

Customer Service:
Telephone Payments:

Walk-In Center:
Online Customer Self-Service:

1-800-383-5582 (M-F, 7 a.m. to 6 p.m. ET)
1-800-383-5582; press 2-2-3
(24 hours a day; \$2.25 fee)
Open Mon-Fri 8 a.m. to 5 p.m. ET
www.lge-ku.com (24 hours a day)

DUE DATE	Pay This Amount
12/11/14	\$8,967.98

ACCOUNT INFORMATION	
Account Number:	[REDACTED]
Account Name:	SHOUSE FARMS
Service Address:	235 State Route 3393 Grain Bins MORGANFIELD KY
Next Read Will Occur:	12/12/14 - 12/16/14
Date Bill Mailed:	11/14/14 (Meter Read Portion 10)

BILLING SUMMARY	
Previous Balance	\$ 0.00
Payment(s) Received 1/1 - 11/14	\$ 0.00
Balance as of 11/14	\$ 0.00
Current Charges:	
Contract [REDACTED]	\$ 8,967.98
Total Amount Due	\$ 8,967.98

Late Payment Fees will be applied to current charges if the current amount due is not received in full by the payment due date on this bill even if payment arrangements have been made.
Please have your account number available when calling to discuss your account.

ELECTRIC CHARGES	
Contract: [REDACTED]	
Rate Type: Power Service - Secondary Pf Adj	
\$ 90.00	Basic Service Charge
\$ 2,188.30	Energy Charge (\$0.03564 x 61,400 kWh)
\$ 5,142.72	Base Demand Charge (\$13.20 x 389.6 kW)
\$ 360.36	84.10% Base PF Adjusted to 90.00% (\$13.20 x 27.3 kW)
\$ 84.12	Electric DSM (\$0.00137 x 61,400 kWh)
\$ 409.84	Environmental Surcharge (6.73% x (\$7,865.50 - \$1,775.69))
\$ (61.40)	Fuel Adjustment (\$-0.00100 x 61,400 kWh)
\$ 246.42	Rate Increase For School Tax (3.00% x \$8,213.94)
\$ 507.62	Sales Tax (6.00% x \$8,460.36)
\$ 8,967.98	Total Charges Contract 3547257

$$\begin{array}{r} 2188.30 \\ 5142.72 \\ \hline 7331.02 = .11 \text{ Kwh} \end{array}$$

METER AND USAGE INFORMATION										
Contract: [REDACTED]										
Power Service - Secondary Pf Adj										
Meter Number	Previous Read Date	Previous Reading	Current Read Date	Current Reading	Read Code	Meter Multiplier	Usage kWh	Demand (kW)	Power Factor	PF Adj. (kW)

Please see reverse side for additional charges.
Customer Service 1-800-383-5582

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

Account Number	Payment Due Date	Pay This Amount	Amount Due After Due Date	Winter Care Donation	Amount Enclosed
[REDACTED]	12/11/14	\$8,967.98	\$9,057.66		\$

Check here if plan(s) requested on back of stub

OFFICE USE ONLY: VP
MRU10171452, G000000
P:0.00
PF:Y eB:P



PO BOX 9001954
LOUISVILLE, KY 40290-1954

#231700003 8#
SHOUSE FARMS
5010 US HIGHWAY 60 W
MORGANFIELD KY 42437-6519

PRINTED ON RECYCLED PAPER
Nov 14 11 13

Service Address: 235 State Route 3393 Grain Bins

02030003001863800000009057660000089679800000000000011



a PPL company

Customer Service:
Telephone Payments:

Walk-In Center:
Online Customer Self-Service:

1-800-383-5582 (M-F, 7 a.m. to 6 p.m. ET)
1-800-383-5582; press 2-2-3
(24 hours a day; \$2.25 fee)
Open Mon-Fri 8 a.m. to 5 p.m. ET
www.lge-ku.com (24 hours a day)

DUE DATE	Pay This Amount
01/13/15	\$3,645.39

ACCOUNT INFORMATION	
Account Number:	[REDACTED]
Account Name:	SHOUSE FARMS
Service Address:	235 State Route 3393 Grain Bins MORGANFIELD KY
Next Read Will Occur:	01/14/15 - 01/16/15
Date Bill Mailed:	12/16/14 (Meter Read Portion 10)

BILLING SUMMARY	
Previous Balance	\$ 8,967.98
Payment(s) Received 11/14 - 12/16	\$ (8,967.98)
Balance as of 12/16	\$ 0.00
Current Charges:	
Contract [REDACTED]	\$ 3,645.39
Total Amount Due	\$ 3,645.39

Late Payment Fees will be applied to current charges if the current amount due is not received in full by the payment due date on this bill even if payment arrangements have been made.
Please have your account number available when calling to discuss your account.

ELECTRIC CHARGES	
Contract:	[REDACTED]
Rate Type:	Power Service - Secondary Pf Adj
\$	90.00 Basic Service Charge
\$	292.25 ~ Energy Charge (\$0.03564 x 8,200 kWh)
\$	2,751.54 Base Demand Minimum Applied (\$13.20 x 208.5 kWh)
\$	11.23 Electric DSM (\$0.00137 x 8,200 kWh)
\$	221.58 Environmental Surcharge (7.62% x (\$3,145.02 - \$237.14))
\$	(27.72) Fuel Adjustment (\$-0.00338 x 8,200 kWh)
\$	100.17 Rate Increase For School Tax (3.00% x \$3,338.88)
\$	206.34 Sales Tax (6.00% x \$3,439.05)
\$	3,645.39 Total Charges Contract 3547257

$$\begin{array}{r} 292.25 \\ 2751.54 \\ \hline 3034.79 = .37 \text{ kWh} \end{array}$$

METER AND USAGE INFORMATION											
Contract:	[REDACTED]										
Power Service - Secondary Pf Adj	Meter Number	Previous Read Date	Previous Reading	Current Read Date	Current Reading	Read Code	Meter Multiplier	Usage kWh	Demand (kW)	Power Factor	PF Adj. (kW)
kWh	[REDACTED]	11/12/14	307	12/12/14	348	V	200	8,200			
kWh-Base	[REDACTED]	11/12/14		12/12/14	0.7908	R	200		158.2	0.8850	0.00

Please see reverse side for additional charges.
Customer Service 1-800-383-5582

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

Account Number	Payment Due Date	Pay This Amount	Amount Due After Due Date	Winter Care Donation	Amount Enclosed
[REDACTED]	01/13/15	\$3,645.39	\$3,681.84		\$

Check here if plan(s) requested on back of stub

OFFICE USE ONLY:
MRU10171452, G000000
= 8,967.98
= F:Y eB:P



#234904652 0#
SHOUSE FARMS
5010 US HIGHWAY 60 W
MORGANFIELD KY 42437-6519

PO BOX 900195-4
LOUISVILLE, KY 40290-1954

Service Address: 235 State Route 3393 Grain Bins

PRINTED ON RECYCLED PAPER
Rev. 14.11.13

02030003001863800000003681840000036453900000000000010



a PPL company

Customer Service:
Telephone Payments:

Walk-In Center:
Online Customer Self-Service:

1-800-383-5582 (M-F, 7 a.m. to 6 p.m. ET)
1-800-383-5582; press 2-2-3
(24 hours a day; \$2.25 fee)
Open Mon-Fri 8 a.m. to 5 p.m. ET
www.lge-ku.com (24 hours a day)

DUE DATE	Pay This Amount
02/03/15	\$2,426.48

This is a final bill

ACCOUNT INFORMATION	
Account Number:	[REDACTED]
Account Name:	SHOUSE FARMS
Service Address:	235 State Route 3393 Grain Bins MORGANFIELD KY
Date Bill Mailed:	01/09/15

BILLING SUMMARY	
Previous Balance	\$ 3,645.39
Payment(s) Received 12/16 - 1/9	\$ (3,439.05)
Balance as of 1/9	\$ 206.34
Current Charges:	
Contract [REDACTED]	\$ 2,220.14
Total Amount Due	\$ 2,426.48

Current due date applies to the current bill only. Previous amount due may be subject to disconnection.

ELECTRIC CHARGES	
Contract	[REDACTED]
Rate Type:	Power Service - Secondary Pf Adj
\$ 54.00	Basic Service Charge (\$90.00 x 18/30 Days)
\$ 206.71	Energy Charge (\$0.03564 x 5,800 kWh)
\$ 1,650.92	Base Demand Min Applied (\$13.20 x 208.5 kW x 18/30 Days)
\$ 7.95	Electric DSM (\$0.00137 x 5,800 kWh)
\$ 133.49	Environmental Surcharge (7.62% x (\$1,919.58 - \$167.74))
\$ (19.60)	Fuel Adjustment (\$-0.00338 x 5,800 kWh)
\$ 61.00	Rate Increase For School Tax (3.00% x \$2,033.47)
\$ 125.67	Sales Tax (6.00% x \$2,094.47)
\$ 2,220.14	Total Charges Contract 3547257

$$\begin{array}{r} 206.71 \\ 1650.92 \\ \hline 1857.63 = 1.32 \text{ kWh} \end{array}$$

METER AND USAGE INFORMATION

Contract: [REDACTED]
Power Service - Secondary Pf Adj

Please see reverse side for additional charges.
Customer Service 1-800-383-5582

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

Account Number	Payment Due Date	Pay This Amount	Amount Due After Due Date	Winter Care Donation	Amount Enclosed
[REDACTED]	02/03/15	\$2,426.48	\$2,426.48		\$

Check here if plan(s) requested on back of stub

OFFICE USE ONLY:
MRU10171452, G000000
P3,645.39
PF:Y eB:P



#200803602 8#
SHOUSE FARMS
5010 US HIGHWAY 60 W
MORGANFIELD KY 42437-6519

PO BOX 9001954
LOUISVILLE, KY 40290-1954

Service Address: 235 State Route 3393 Grain Bins

PRINTED ON RECYCLED PAPER
Rev 14.11.13

0203000300116380000000242648000002426480000000000010

Customer Service: 1-800-383-5582 (M-F, 7 a.m. to 6 p.m. ET)
 Telephone Payments: 1-800-383-5582; press 2-2-3
 (24 hours a day; \$2.25 fee)
 Walk-In Center: Open Mon-Fri 8 a.m. to 5 p.m. ET
 Online Customer Self-Service: www.loe-ku.com (24 hours a day)

DUE DATE Pay This Amount
02/11/15 \$492.03

a PPL company

ACCOUNT INFORMATION

Account Number: [REDACTED]
 Account Name: SHOUSE FARMS
 Service Address: 235 State Route 3393 Grain Bins
 MORGANFIELD KY
 Next Read Will Occur: 02/12/15 - 02/17/15
 Date Bill Mailed: 01/20/15 (Meter Read Portion 10)

BILLING SUMMARY

Previous Balance	\$	0.00
Payment(s) Received 1/1 - 1/20	\$	0.00
Balance as of 1/20	\$	0.00
Current Charges:		
Contract [REDACTED]	\$	492.03
Total Amount Due	\$	492.03

Late Payment Fees will be applied to current charges if the current amount due is not received in full by the payment due date on this bill even if payment arrangements have been made.
 Please have your account number available when calling to discuss your account.

ELECTRIC CHARGES

Contract: [REDACTED]
 Rate Type: Power Service - Secondary Pf Adj
 \$ 45.00 Basic Service Charge (\$90.00 x 15/30 Days)
 \$ 42.77 Energy Charge (\$0.03564 x 1,200 kWh)
 \$ ~~330.00~~ Base Demand Min Applied (\$13.20 x 50.0 kW x 15/30 Days)
 \$ 1.67 Electric DSM (\$0.00139 x 1,200 kWh)
 \$ 30.93 Environmental Surcharge (8.04% x (\$419.44 - \$34.70))
 \$ 0.29 Fuel Adjustment (\$0.00024 x 1,200 kWh)
 \$ 13.52 Rate Increase For School Tax (3.00% x \$450.66)
 \$ 27.85 Sales Tax (6.00% x \$464.18)
 \$ ~~492.03~~ Total Charges Contract 3628050

$$\begin{array}{r} 330.00 \\ 42.77 \\ \hline 372.77 = .31 \text{ Kwh} \end{array}$$

METER AND USAGE INFORMATION

Contract: [REDACTED]
 Power Service - Secondary Pf Adj

	Meter Number	Previous Read Date	Previous Reading	Current Read Date	Current Reading	Read Code	Meter Multiplier	Usage kWh	Demand (kW)	Power Factor	PF Adj. (kW)
kW-Base	[REDACTED]	01/01/15		01/16/15	0.0426	V	200		8.5	1.0000	0.00
kWh	[REDACTED]	01/02/15	377	01/16/15	383	V	200	1,200			
Total Usage								1,200			

Please see reverse side for additional charges.

$$\text{Total } \$ 12,596.21 = .16 \text{ Kwh avg.}$$

Kwh 76,600

Customer Service: 1-800-383-5582 (M-F, 7 a.m. to 6 p.m. ET)
 Telephone Payments: 1-800-383-5582; press 2-2-3
 (24 hours a day; \$2.25 fee)
 Walk-In Center: Open Mon-Fri 8 a.m. to 5 p.m. ET
 Online Customer Self-Service: www.lge-ku.com (24 hours a day)

DUE DATE	Pay This Amount
03/12/15	\$958.87

Company

ACCOUNT INFORMATION

Account Number: [REDACTED]
 Account Name: SHOUSE FARMS
 Service Address: 235 State Route 3393 Grain Bins
 MORGANFIELD KY
 Next Read Will Occur: 03/16/15 - 03/18/15
 Date Bill Mailed: 02/17/15 (Meter Read Portion 10)

BILLING SUMMARY

Previous Balance	\$	492.03
Payment(s) Received 1/20 - 2/17	\$	(492.03)
Balance as of 2/17	\$	0.00
Current Charges:		
Contract [REDACTED]	\$	958.87
Total Amount Due	\$	958.87

Late Payment Fees will be applied to current charges if the current amount due is not received in full by the payment due date on this bill even if payment arrangements have been made.
 Please have your account number available when calling to discuss your account.

ELECTRIC CHARGES

Contract [REDACTED]

Rate Type: Power Service - Secondary Pf Adj

\$	90.00	Basic Service Charge
\$	71.28	Energy Charge (\$0.03564 x 2,000 kWh)
\$	660.00	Base Demand Minimum Applied (\$13.20 x 50.0 kW)
\$	2.78	Electric DSM (\$0.00139 x 2,000 kWh)
\$	51.80	Environmental Surcharge (6.76% x (\$824.06 - \$57.84))
\$	2.38	Fuel Adjustment (\$0.00119 x 2,000 kWh)
\$	26.35	Rate Increase For School Tax (3.00% x \$878.24)
\$	54.28	Sales Tax (6.00% x \$904.59)
\$	958.87	Total Charges Contract 3628050

731.28
 - 2,000
 36 kWh

METER AND USAGE INFORMATION

Contract: [REDACTED]

Power Service - Secondary Pf Adj

	Meter Number	Previous Read Date	Previous Reading	Current Read Date	Current Reading	Read Code	Meter Multiplier	Usage kWh	Demand (kW)	Power Factor	PF Adj. (kW)
kWh	[REDACTED]	01/16/15	383	02/12/15	393	R	200	2,000			
kW-Base	[REDACTED]	01/16/15		02/12/15	0.2082	V	200		41.6	0.8760	0.00
Total Usage								2,000			



a PPL company

Customer Service:
Telephone Payments:

Walk-In Center:
Online Customer Self-Service:

1-800-383-5582 (M-F, 7 a.m. to 6 p.m. ET)
1-800-383-5582; press 2-2-3
(24 hours a day; \$2.25 fee)
Open Mon-Fri 8 a.m. to 5 p.m. ET
www.lge-ku.com (24 hours a day)

DUE DATE	Pay This Amount
03/10/15	\$931.51

ACCOUNT INFORMATION

Account Number: [REDACTED]
 Account Name: 1ST CHRISTIAN CHURCH OF STURGIS INC
 Service Address: 725 N Main St STURGIS KY
 Next Read Will Occur: 03/12/15 - 03/16/15
 Date Bill Mailed: 02/12/15 (Meter Read Portion 08)

BILLING SUMMARY

Previous Balance	\$	0.00
Payment(s) Received 1/1 - 2/12	\$	0.00
Balance as of 2/12	\$	0.00
Current Charges:		
Contract [REDACTED]	\$	931.51
Total Amount Due	\$	931.51

Late Payment Fees will be applied to current charges if the current amount due is not received in full by the payment due date on this bill even if payment arrangements have been made.
 Please have your account number available when calling to discuss your account.

ELECTRIC CHARGES

Contract: [REDACTED]

Rate Type: Power Service Secondary

\$	90.00	Basic Service Charge
\$	28.51	Energy Charge (\$0.03564 x 800 kWh)
\$	660.00	Base Demand Minimum Applied (\$13.20 x 50.0 kW)
\$	1.11	Electric DSM (\$0.00139 x 800 kWh)
\$	51.14	Environmental Surcharge (6.76% x (\$779.62 - \$23.14))
\$	0.95	Fuel Adjustment (\$0.00119 x 800 kWh)
\$	24.95	Rate Increase For School Tax (3.00% x \$831.71)
\$	22.12	Franchise Fee-Sturgis (2.66% x \$831.71)
\$	52.73	Sales Tax (6.00% x \$878.78)
\$	931.51	Total Charges Contract 3651943

86¢ kWh

METER AND USAGE INFORMATION

Contract: [REDACTED]

Power Service Secondary

	Meter Number	Previous Read Date	Previous Reading	Current Read Date	Current Reading	Read Code	Meter Multiplier	Usage kWh	Demand (kW)	Power Factor	PF Adj. (kW)
kWh	[REDACTED]	01/11/15	0	02/10/15	10	V	80	800			



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Daniel E. Logsdon Jr.
Commissioner

June 25, 2015

Zack N. Womack
Womack Law Office, LLC
304 First Street
P.O. Box 637
Henderson, KY 42419-0637

RE: Case No. 2014-00371
Kentucky Utilities Company

The Commission acknowledges receipt on June 16, 2015 of your letter, a copy of which is attached hereto, addressed to one of our rate analysts, regarding the above referenced case and your client's objection to the amount of demand charges he pays to Kentucky Utilities Company for the seasonal operation of his farming activities. Your letter is being treated as an official protest and will be placed in the case file of this proceeding. The Commission will take your concerns into consideration in its review and decision in this matter.

Please be advised that neither the Commission's rate analysts nor any other members of the Commission's staff have the authority to change the electric rates charged to your client by Kentucky Utilities Company. Rates can be changed only by a majority vote of the three individuals who are appointed as Commissioners of the Public Service Commission. The Commissioners have the authority to change a utility's rates only upon application by that utility or upon complaint filed either by an interested person or by the Commission on its own motion.

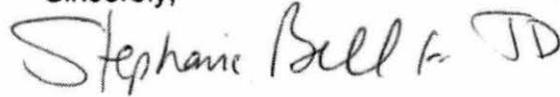
The Attorney General has intervened in this matter. You may want to make the Attorney General aware of your concerns by contacting him through his Office of Rate Intervention, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204.

You may view all documents filed in this case on the Commission's website at <http://psc.ky.gov>.

Zack N. Womack
June 25, 2015
Page 2

Thank you for your letter of interest and concern in this matter.

Sincerely,

Handwritten signature in black ink that reads "Stephanie Bell for JD". The signature is written in a cursive style.

Jeff Derouen
Executive Director

RGR/ph

WOMACK LAW OFFICE, LLC

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RECEIVED
JUN 16 2015
PUBLIC SERVICE
COMMISSION

June 11, 2015

CERTIFIED MAIL

Ms. Leah Faulkner
Rate Analyst, Electricity and Gas Rate
Division of Financial Analysis
P. O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602-3460

**Re: David Shouse Farms
Case No. 2014-00371**

Dear Ms. Faulkner:

Please be advised that Womack Law Office, LLC, represents the interest of David Shouse, d/b/a David Shouse Farms, concerning Kentucky Utilities Case No. 2014-00371, and the circumstances under which he is currently paying an inordinate amount of fees to the KU facility, the direct and proximate result of his being charged a demand fee that is most unreasonable when compared to the seasonal nature of his business.

It is understood and appreciated the necessity for certain demand charges; however, the seasonal work, i.e., farming, and the utilities associated with farming that are operated on a very limited seasonal basis enable KU to realize a windfall situation with respect to the customer that is, as a practical legal term, unjust enrichment, concerning the electrical charges made against Mr. Shouse.

In order to substantiate or validate the need or necessity for demand charges, there must be some substantial likelihood that the demand will be exercised by the customer. In the circumstances of David Shouse Farms, that demand or the demand charges is not realistic with the nature of the business in which Shouse Farms is involved, which is seasonal. It is understood that demand charges could be based on

Leah Faulkner

June 11, 2015

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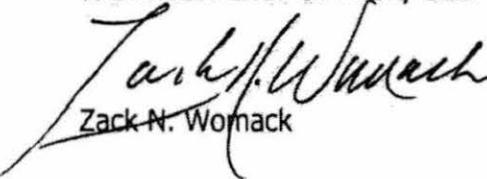
the highest level of usage during a period, but that period of usage or standard continues for other customers throughout the course of the year and does not for the Shouse Farms.

It should be noted that Shouse Farms went to great expense to have the utilities run to its particular facility and the application of the demand charge against the customer throughout the course of the entire year cannot be justified, nor would it pass, in our opinion, legal muster. KU did not pay anything in the running of the line to our client's farming operation. That undertaking was paid for by Shouse Farms. As a direct result, the demand charge would be collecting something other than any fixed charge that would exist with respect to this particular customer because Shouse Farms paid for running of the service to its property. This is tantamount to gouging.

For these reasons, we respectfully request you reconsider Mr. David Shouse's request for an adjustment; otherwise, we intend to seek legal redress.

Respectfully,

WOMACK LAW OFFICE, LLC



Zack N. Womack

ZNW:cn

c: David Shouse

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